# TECHNICAL MEMORANDUM

## **Utah Coal Regulatory Program**

November 9, 2010

TO:

THRU:

FROM:

Jim Smith, Permit Supervisor

RE:

Midterm Permit Review, Genwal Resources, Inc., Crandall Canyon Mine, Permit

# C/015/0032 and Project # 3614

#### **SUMMARY:**

On September 15<sup>th</sup>, 2010, Genwal Resources (the Permittee) was notified that the Division of Oil, Gas and Mining (the Division) had commenced a mid-term permit review. The Division notified the Permittee that the following items would be reviewed:

- 1. An AVS check to ensure that Ownership and Control information is current and correct.
- 2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and Permittee initiated plan changes are appropriately incorporated into the plan document, and that the plan has been updated to reflect changes in the Utah Coal Regulatory Program which have occurred subsequent to the last permit renewal.
- 3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
- 4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.
- 5. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

Additional information/revisions to the currently approved MRP (relative to the Permit Term provisions of the State of Utah R645-Coal Mining Rules) are not required at this time.

## **TECHNICAL ANALYSIS:**

## **GENERAL CONTENTS**

## VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

#### **Analysis:**

The MRP meets the Violation Information requirements of the State of Utah R645-Coal Mining Rules.

An AVS Evaluation was performed by Division staff on October 13, 2010. No violations were retrieved by the system.

A listing of violations received by the applicant in connection with any coal mining and reclamation operation is provided in Appendix 1-11. Additionally, MSHA numbers for the operations are provided in Appendix 1-12.

#### **Findings:**

The currently approved Violation Information meets the requirements of the State of Utah R645-Coal Mining Rules.

#### RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

#### Analysis:

The MRP meets the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

On page 1-5 of the approved Mining and Reclamation Plan (MRP), the Permittee provides a detailed description of the currently held leases. The Permittee currently holds both Federal Leases (U-54762, UTU-78953, SL-62648 and UTU-68082) and State leases (ML-21568 and ML-21569). Copies of the leases are provided in the approved MRP in Appendices 1-13, 1-14, 1-15 1-15A.

At the time of this permit review; IPA and Utah American Energy are in the process of separating financial interests and dissolving the business relationship between the two entities. Once that legal process is completed, the Permittee will need to submit an amendment and revise the right of entry information if necessary. Currently, Murray Energy Corporation wholly owns Utah American Energy Inc. Utah American Energy Inc. wholly owns Andalex Resources, Inc. Andalex Resources, Inc., wholly owns Genwal Resources, Inc.

## Findings:

The currently approved Right of Entry information meets the requirements of the State of Utah R645-Coal Mining Rules.

#### LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

## **Analysis:**

The MRP meets the Legal Description and Status of Unsuitability Claims requirements of the State of Utah R645-Coal Mining Rules.

On page 1-11 of the MRP, the Permittee discusses the status of unsuitability claims. Based upon all available information, the permit area is not within an area designated as unsuitable for underground mining activities. In Appendix 1-7 of the MRP, a Negative Unsuitability Determination is provided. The document was produced by the United States Department of Agriculture United States Forest Service. The document finds that permit area is suitable for underground mining activities.

The finding of negative unsuitability was revisited in August of 2007 with an Incidental Boundary Change (IBC) application. The area included in the IBC is located immediately adjacent to the current permit area. As the mining that occurs within the IBC area is primarily first mining (longwall setup entries and barrier pillars), no surface impacts are expected.

#### Findings:

The currently approved Legal Description and Status of Unsuitability Claims meet the requirements of the State of Utah R645-Coal Mining Rules.

#### PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

#### **Analysis:**

The MRP meets the Permit Term requirements of the State of Utah R645-Coal Mining Rules.

Plates 5-2, 5-2(H) and 5-2(BC) depict the mining projections.

#### **Findings:**

The currently approved Permit Term meets the requirements of the State of Utah R645-Coal Mining Rules.

## **OPERATION PLAN**

#### HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

#### **Analysis:**

#### **Ground and Surface Water Monitoring**

The approved MRP meets the Ground and Surface Water Monitoring requirements of the State of Utah R645-Coal Mining Rules.

The Permittee has submitted all required ground and surface water monitoring data to the EDI database on a quarterly basis as outlined in the approved MRP. Plate 7-18 depicts the ground and surface water monitoring sites. Discussion of the ground and surface water monitoring plans is provided in the MRP beginning on page 7-29b and continuing to page 7-42.

Additional water monitoring is required as part of the of the mine-water treatment. Page 8 of Appendix 7-65 outlines the additional mine-water data that is collected (and submitted to the Division) on a monthly basis. Water flow measurements from the highwall/ledge seep area is

also collected and submitted to the Division on a monthly basis. The Permittee has submitted this data in a timely fashion and is in compliance with the conditions of the MRP.

#### **Sediment Control Measures**

The MRP meets the Sediment Control Measure requirements of the State of Utah R645-Coal Mining Rules.

Appendix 7-4, Crandall Canyon Sedimentation and Drainage Control Plan provides a detailed discussion of the methods and features utilized to control sedimentation.

The mine facility utilizes a series of drainage ditches and a single primary sedimentation pond to prevent additional contributions of sediment outside of the permit area. The primary sediment pond was cleaned in December of 2009. Sediment clean out markers have been installed within the pond so as to readily identify when the maximum sediment level has been reached.

At the East Mountain emergency drill hole site, sediment control is achieved through the use of water bars and excelsior logs.

#### Findings:

The currently approved Sediment Control Measures meet the requirements of the State of Utah R645-Coal Mining Rules.

## **RECOMMENDATIONS:**

Additional information/revisions to the currently approved MRP (relative to the Permit Term provisions of the State of Utah R645-Coal Mining Rules) are not required at this time.

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